99-17

SELF-HELP PROGRAMS

HEARING

BEFORE THE

SELECT COMMITTEE ON HUNGER
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

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HEARING HELD IN WASHINGTON, DC, MAY 15, 1986

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SELF-HELP PROGRAMS

THURSDAY, MAY 15, 1986

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON HUNGER,
Washington, DC.

The committee met, pursuant to notice, at 2:34 p.m., in room 2222, Rayburn House Office Building, Hon. Mickey Leland (chairman of the committee) presiding.

Also present: Hon. Howard Wolpe.

OPENING STATEMENT OF HON. MICKEY LELAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman LELAND. We're going to begin now.

I'd like to take this opportunity to welcome you to the Select Committee on Hunger's investigation of self-help programs designed to assist low-income persons escape poverty.

Through past research the select committee has learned that people who are poor are either hungry or particularly susceptible to hunger. We've learned that even when receiving benefits from public assistance programs, many individuals are not assured access to adequate nutrition on a consistent basis. These facts have been articulated by low-income individuals and program administrators alike.

From my early involvement with community-based programs, and my experiences as chairman of the committee, I have come to acknowledge that people cannot obtain a decent standard of living until they have become self-sufficient. Poor people are destined to remain entrenched in the vicious cycle of poverty until they can secure decent jobs and earn adequate wages.

The vast majority of participants in public assistance programs do not want to depend on Government aid. They would much prefer the opportunity to acquire marketable skills, which would permit them to become active members of the Nation's work force. They earnestly want to fend for themselves.

It has been said many times: "If you give a man a fish, you've fed him for a day. You teach a man to fish, you've fed him for a lifetime." Of course, that was said when chauvanism was at its peak. Now we have to teach women how to fish too.

Our witnesses today are people who subscribe to this old adage. We will receive testimony from individuals who themselves have benefited from programs which promote self-help, and from persons who are involved in the delivery of self-help services. I look forward to the very informative hearing.

Let me now introduce to you the first panel. I'd like to call forward Councilman James Scheibel; Ms. Lucy Tebbenhoff; and Dr. Gloria Becerra.

Please come forward and be seated at the witness table.

Councilman Scheibel is chairman of the St. Paul Food and Nutrition Commission, a body charged with developing a municipal food policy to assure St. Paul residents access to an adequate and nutritious food supply.

I'd like to add that this commission is a product of St. Paul's involvement in the food policy demonstration project sponsored by the U.S. Conference of Mayors.

Ms. Tebbenhoff joins us from Portland, ME. She is a recent graduate of Maine's Work Incentive Demonstration Project, which is popularly known as the Welfare Employment Education and Training Program, or WEET.

Dr. Becerra, who is visiting from Phoenix, is director of the Arizona Department of Economic Security's Division of Employment and Rehabilitation Services.

Councilman Scheibel, you may proceed.

STATEMENT OF JAMES SCHEIBEL, CITY COUNCILMAN, CHAIRPERSON, ST. PAUL FOOD AND NUTRITION COMMISSION, ST. PAUL, MN

Mr. SCHEIBEL. Mr. Chairman, I'd like to thank you for this opportunity to appear before you this afternoon on behalf of the city of St. Paul and U.S. Conference of Mayors.

My name is James Scheibel, and I am a member of the St. Paul City Council. I appear before you today in my capacity as chairman of the city's Food and Nutrition Commission, a position to which I was appointed by Mayor George Latimer.

The continuing programs of urban hunger and malnutrition have been of major concern to city officials. In cities across the country we have seen extraordinary efforts being made by city government in cooperation with the private sector to meet the recent increase in demand for emergency food assistance.

Because they have been undertaken in response to a crisis situation, however, these efforts have usually been intended to meet only urgent food problems. There has been little time to focus attention on efforts that increase long-term food accessibility and greater food self-sufficiency for the people in our cities.

In response to this increased awareness among city officials of the importance of a comprehensive approach for improving access to food and community, the Conference of Mayors initiated a project in June 1984 to help cities meet both urgent and long-term food needs, primarily through the establishment of municipal food policy.

I believe committee members have our report done by the conference of the results of that work.

Four cities, including St. Paul, participated in this innovative effort. The public food policies which have been adopted in cities, now serve as our official plan for addressing a wide range of issues affecting the quality and accessibility of food for all residents.

Food policy encompasses the area of hunger and nutrition, but goes beyond them to include broader issues such as health management, food self-sufficiency of individuals and communities, and the relationship between urban and rural America.

I would now like to share with you information about St. Paul's efforts to develop a food policy.

Our interest in undertaking such an effort was underscored by our awareness of a burgeoning crisis of hunger in our State and in our city.

In 1985 an estimated 62,000 Minnesota families needed to use food shelves at least once. The total number of times the food shelves were used rose from 180,000 in 1982 to nearly 850,000 in 1985.

The St. Paul Food Bank distributed 2.5 million more pounds of food in 1983 than it had the previous year. And that amount increases each year.

The number of evening meals served at the largest St. Paul food kitchen increased by 8.6 percent in the same time period, and that number continues to grow each year.

In St. Paul 14 percent of non-WIC participants screened in 1983 were shown to have major dietary problems. The issue of hunger is real and immediate in Minnesota and in St. Paul.

Other factors influenced Mayor Latimer's decision to have St. Paul undertake this new municipal effort. In 1983, for example, the city had undertaken an initiative called the Home Grown Economy, rooted philosophically in the idea of maximizing local self-reliance through nurturance of small business, entrepreneurialism and community self-sufficiency.

More local food production has been one of the strategies followed to create greater self-reliance among city residents. I was privileged to chair the task force on municipal food policy comprised of diverse segments of our community which the mayor appointed to examine the advisability of a food policy for St. Paul.

Based on extensive information gathered during the 18-month period, which included testimony from numerous individuals knowledgeable in areas relating to food and nutrition—areas such as emergency food assistance and hunger, food production and supply, nutrition and public policy issues—the task force strongly supported the establishment of municipal food policy, and a food and nutrition commission was created to develop and implement the policy.

In addition, the task force made a number of specific recommendations for addressing the problems we have identified through our study. Although 60 percent of Minnesota land is in agricultural use, approximately 80 percent of St. Paul's food is imported from outside the State. This heavy reliance on distant suppliers provides a varied but not necessarily high quality of food supply. It does not encourage a strong State and local economy.

The task force recommends that the city undertake a number of activities to encourage local food production and help maintain existing food productivity, including study to develop a comprehensive city land use plan, study of city uses of edible landscaping, encouragement for use of public lands for urban food production, and

review of zoning ordinances which are barriers to home food production.

The task force found that many city residents, particularly low-income persons, face tremendous problems in accessing nutritious foods at fair prices. Consumers in the city, especially those who are poor, have limited access to food retailers who supply less costly and more nutritious food.

Among the recommendations for increasing access for all to quality food were assisting and encouraging home grown and home-preserved food, setting up a system of community garden and community canning facilities, working with food retailers to establish major food stores in underserved areas of the city, and assisting in the development of small food stores and alternative food sources, such as buying clubs.

A particularly disturbing finding of the task force was that in Ramsey County, which encompasses St. Paul, four out of five of the leading causes of death are related to nutritional, dietary practices of residents. That statistic includes deaths due to heart disease.

To help address these problems the task force recommends that city staff develop nutrition promotion programs for use by all food retailers, especially those in low-income neighborhoods, and work with the school district to develop summer meals programs.

The task force also urged the continuation and increased funding for safety net programs supporting the poor, such as food stamps, WIC, and the school lunch programs. Recognizing the common interests of rural and urban Minnesota, the task force encouraged a Minnesota-grown food procurement policy in city institutions and efforts to facilitate interaction between urban food buyers and producers.

The recommendations of the task force have been endorsed by Mayor Latimer and St. Paul City Council. The new Food Policy and Nutrition Commission has been working to develop a food policy, and to translate into action policy recommendations presented by the task force.

It is our intent in implementing the municipal food policy to educate both consumers and growers, and to effect our food system so that the following results are realized:

No. 1. Low-income persons have greater means and access to produce or purchase a variety of nutritious foods.

No. 2. That the general level of quality of food consumed locally be improved.

No. 3. That economic ties between local growers and consumers are strengthened.

In St. Paul we have just begun to understand that our handling of food, a basic support commodity, profoundly impacts in a variety of ways the quality of individual life available to our citizens.

We believe that development and implementation of our food policy can assist us in addressing hunger and its sources and in meeting both the emergency and long-range food needs of our community.

I'd like to thank you and I'd be glad to respond to any questions.

Chairman LELAND. Thank you very much. We'll hold our questions until after the full panel has testified.

Ms. Tebbenhoff. Am I correct in the pronunciation?

Ms. TEBBENHOFF. Yes.
Chairman LELAND. Very good. You may proceed.

STATEMENT OF LUCY TEBBENHOFF, WEET PROGRAM GRADUATE, PORTLAND, ME

Ms. TEBBENHOFF. Members of the committee, my name is Lucy Tebbenhoff, and I live in Portland, ME. I am 24 years old, and I'm a single parent raising two sons ages 6 and 3.

For 4½ years I received AFDC and food stamps. After paying my rent, gas, and lights, I was lucky to have $15 a month left over. We went without many necessities. At one point my utility bill got so high my gas was turned off. I went without hot water and the stove for months. I felt I was getting further and further behind.

I thought about getting off AFDC so I could provide for my children's increasing needs. I had only completed the 10th grade. While I got a GED on my own, I still knew that the kinds of jobs I could get, factory work, waitressing, would not pay enough, and I wanted something more.

I got a letter from the Welfare Employment Education and Training [WEET] office, asking if I would like help in getting a good job. At first I put the letter aside. I wanted to get off AFDC but I was also afraid of taking the chance and maybe being worse off.

I got the feeling I was traveling down a dark tunnel not knowing what lay ahead.

Finally I decided to give it a try. The program I was in lasted 5 months. I attended prevocational training, brushed up on math and English, worked as a volunteer doing clerical work for the Portland Fire Department, and participated in the Job Search Program.

WEET ran a program and also paid for my child care, transportation, eyeglasses, clothing, and gave me a training allowance. WEET then arranged an on-the-job training contract with my employer to give me time to get all the skills I needed to do my job well. When the contract was over my employer, KEMCO Office Products in Portland, hired me permanently as an administrative clerk. My starting salary was $160 a week. A year and a half later, I am now making $275 a week. I am fully self-sufficient, and have been off AFDC for over a year.

While things are a lot better for me now, I'm still struggling. I will soon lose subsidized day care for my 3-year-old son, and will have to pay $50 a week until he can get into another subsidized slot. It will be a strain on the money that I've been able to save. Even so, I will never go back on AFDC.

My life is so much better now. I don't have to report to the State. I have more money, I have a life of my own, and my children's lives are better because of it.

Thank you for inviting me here to speak, and I'd be happy to answer any questions.

[Material submitted by Ms. Tebbenhoff appears at the conclusion of the hearing, see p. 24.]

Chairman LELAND. Thank you very much.
Dr. Becerra.

STATEMENT OF GLORIA V. BECERRA, ASSISTANT DIRECTOR, ARIZONA DEPARTMENT OF ECONOMIC SECURITY, PHOENIX, AZ

Ms. BECERRA. Thank you very much for the opportunity to appear before the committee to share the Arizona experience in responding to the challenge of assuring that welfare recipients are provided maximum opportunity to achieve economic sufficiency. I'm Gloria Becerra, assistant director for the Arizona Department of Economic Security.

For over two decades, human service administrators, State legislators, Governors, and the Congress, have debated the approach, the appropriate design of the Nation's welfare system. The State of Arizona, like every State in the country, has struggled in its attempt to come to some agreement on the most viable way to address the challenges posed by this continuing debate. We have been willing, however, to accept the challenge, and, in fact, see it as an opportunity to try alternative approaches.

In October 1981, the Department of Economic Security proposed to the Department of Health and Human Services a program that provided AFDC recipients with incentives, job opportunities, vocaticnal training, and support services to help them find employment, and at the same time reduce welfare costs. The proposal to establish the Work Incentive Demonstration Program was approved in early 1982 and began in June. The original goal of the program was to place 4,000 AFDC recipients per year into unsubsidized employment.

By the end of the first year the extensive outreach to the private sector and State government agencies resulted in over 3,000 persons obtaining a job. By June 1985 over 9,700 recipients had been placed into employment. Considering that the majority of these placements were made during the period of double-digit unemployment, the project has been considered highly successful.

Toward the end of the demonstration Arizona became one of six States in the country to participate in a welfare grant diversion project. In this program, a recipient's AFDC grant is available in part to any employer as an incentive to hire qualified AFDC recipients.

Designed as an incentive or placement tool, no new structure was required to accommodate this program. Its uniqueness is clearly in the design which overlays the existing employment and training and welfare systems. AFDC recipients who obtain employment are treated like any other individual who goes to work. All employers, public, private, nonprofit, or private for profit, are eligible to participate. The employers may receive additional funds from other sources to help offset the cost of employment.

The primary source of referral to potential employers occurs through job service, through WIDP, and through the Job Training Partnership Act. To date, approximately 400 recipients have been placed into the jobs through the grant diversion project with close to 50 percent of those no longer on AFDC.

Over the past year we have been carefully studying the results of the WIDP and grant diversion experience as well as the experience of other States. We are convinced that our efforts under WIDP and grant diversion have provided a tremendous offering of informa-

tion, and a solid foundation on which to build an approach that is responsive to the needs of the welfare mother, given tremendous changes occurring in the family unit, as well as the work place.

On July 1, Arizona will implement a new program that will replace the Work Incentive Demonstration Program. Let me take a few minutes to outline the approach, and especially share with you how it departs from the WIDP experience.

The new program has been designed with attention not only to our population, but to the previous experience of WIDP in national research.

We will focus our resources on four target groups: the AFDC recipient who is potentially mandatory under the WIN Program, and for Arizona this includes mothers whose youngest child is 3 years and older; the WIN mandatory recipient who has been receiving AFDC grants benefits for over 2 years or more; WIN mandatory recipients whose youngest child is 16 to 17 years old; and teen parents who are AFDC applicants or recipients.

Our goal in serving these groups is to have the greatest impact on reducing dependency. For applicants and parenting teens, the means to achieving this goal is to avert entry into the welfare system, or to minimize the duration of dependency.

For long-term recipients the intention is to assist them in removing the barriers which have kept them dependent upon the system. For individuals whose youngest child will turn 18 within the next 2 years, the program will assist them in becoming more independent before their AFDC benefits are no longer available to them.

The emphasis of the program will teach AFDC applicants and recipients job seeking skills with an emphasis on self-assessment, utilizing motivational techniques. It will—we want to empower participants by assisting them in realizing their fullest potential and ability.

It will provide post-employment services to assist in job retention. One of our failures in the past has been our lack of understanding of the trauma of returning to work or to adjusting to a new lifestyle. Ongoing support will be provided to assist in minimizing the difficulty in making the transition to the world of work.

Through case management it will assist in accessing support services such as child care, transportation and health care, to insure a safety net exist to facilitate continuing on the job, and it will provide education and training opportunities for those who lack basic education, or specific job related skills, with special emphasis on GED attainment.

This program will be implemented utilizing our existing Federal resources, and as such, because of the reduction, will be implemented only on a pilot mode.

Arizona recently under the direction of the Governor Babbitt, asked the Job Training Partnership Act, JTPA, to target up to 25 percent of the title II-A funds to serve recipients of AFDC. The plan is designed to encourage local private industry councils and service delivery areas to serve this population through the rewarding of incentives for meeting or exceeding requirements of the plan, and performance criteria now being developed. This targeting of resources is intended not only to increase the number of AFDC

recipients receiving job training, but further integrate the welfare and employment and training system.

Although Arizona has made a great deal of progress in a short term, we are very concerned about our ability to continue to do so over the long term, given the various policy changes now being proposed by the administration.

First, we must have the flexibility to tailor programs such as WIDP to the unique needs of our clients. We are committed to serving the hard-to-place and long-term welfare recipients, but we must be given the latitude and the resources to do so effectively. Not continuing the WIN Program eliminates State flexibility and resources to provide employment programs. The proposed work opportunities program would severely limit our efforts in both these areas.

Second, we must have the resources to operate other employment and training programs. Resources under JTPA and vocational education cannot be expected to fill the gap created by eliminating the use of IV-A funds for education and training. JTPA and vocational education funds are already severely limited, and with the current level of funding or reductions, their ability to meet the education and training needs of the AFDC recipient, as well as the economically disadvantaged population, will become even more limited. Coupled with the proposed cuts under the Employment Service and Social Service Block Grants, this problem becomes even more exacerbated.

Third, the current work supplementation regulations which encompass grant diversion create a direct disincentive for participation by the client and the State. The regulation penalizes welfare recipients by counting the grant they receive through establishment of an automatic overpayment if they are placed on the job after receiving that month's grant. States would incur the liability and responsibility for collecting the overpayment. While Arizona is a model grant diversion State given our placement, and the fact that we have assisted 15 other States through technology transfer on how to implement the program, we cannot in good conscience continue the program with these severe penalties and limitations.

Fourth, program performance must be evaluated based on different productivity measures, not on the number of applicants who come through our doors without regard to the depth of services provided, nor with regard to what happens to them after they leave our doors.

As stated by the American Public Welfare Association, in prior testimony, if reducing dependency is the aim, then evaluation should look at job placement rates with careful attention also to such factors as wage rates, job retentions, and avoidance of future dependency.

As States like Arizona direct their resources serving the hard-to-place recipient with whom positive results may not be readily attained, recognition should be made of this fact with rewards or sanctions applied accordingly.

We have enjoyed our success to date, but we have to recognize the importance of having a flexibly designed delivery system that is tailored to meet the unique needs of the citizens of our State. We have developed the system based on the fundamental belief that

employment and training, and welfare, must be linked, allowing for a blending of our limited resources in a manner that creates maximum employment opportunities.

With the provision of comprehensive array of support services, and a better recognition of the needs of the employer, we believe we will continue to be successful in responding to the challenge of assuring greater economic self-sufficiency in an era of change within our social, political, and economic institutions.

Thank you very much for your attention.

[The prepared statement of Ms. Becerra appears at the conclusion of the hearing, see p. 25.]

Chairman LELAND. Thank you very much.

Dr. Becerra, let me ask you a few questions, if I may.

Between June 1982 and June 1985, close to 10,000 persons have been placed in employment under Arizona's WIN Demonstration Program. How many of these persons have secured employment in the private sector?

Ms. BECERRA. The majority work in the private sector. About 80 percent were private sector, 20 percent were in the public sector.

Chairman LELAND. What, then, is the average starting wage rate for those who were placed in jobs through this program?

Ms. BECERRA. They were $4.80 an hour in the public sector.

Chairman LELAND. If you have monitored those placed, how many have remained employed?

Ms. BECERRA. We only follow up for 30 days, follow up at the 30 days we found 80 percent of them still on the job. There is a difficulty though, Congressman. One of the things that we have found is the fact that we are serving the most ready—those who have been in the labor force, those who are or have completed the GED. With JTPA and the direction the Governor has given us, we find that as in the past, CETA and WIN competed for the same clients. We have recognized that JTPA is a performance-driven program, and we're not advocating changing it, but what we are trying to do is link up to their system so our members will drastically be reduced because we will be serving a very different kind of AFDC client, the one who has never worked, the one who has never or has not completed the GED. That's going to take more resources, more time, and our numbers will be less.

So we want to get off playing the numbers game.

Chairman LELAND. How do the costs of the WIN Demonstration Project and grant diversion compare to the expenses the State would have incurred had these programs not been in effect?

Ms. BECERRA. We believe we've been very successful and have saved lots of dollars. Now, I do not have the exact amount.

We estimate that—the WIDP Program in the 3 years have saved $7 million. That does not include the grant diversion numbers.

Chairman LELAND. The select committee has an ongoing interest in simplifying and better coordinating the operations of public assistance programs. What policies has Arizona initiated to improve the delivery of public assistance services to AFDC participants?

Ms. BECERRA. Well, one of the things, Congressman, we're trying to get the Feds to talk to one another. The regulations of the Health and Human Services don't always make sense to the De-

partment of Labor regulations. So one of our efforts is to get them to dialog and see where there may be conflict.

Second of all, is that we have an integrated department. We have both the employment and the social services all under one authority, which makes it a little easier. We have very good cross programs relationships and are working with the Family Assistance Administration to simplify and to better identify the client, have better referral mechanisms, and then having the employment side emphasizing the self-help kinds of programs with the reduced resources. We have found that that's the only mode to follow.

So we are forcing internal structures to relook and redesign the existing system and hopefully do a better job.

Chairman LELAND. What gaps do you see existing between income maintenance, employment and training, and economic development policy in Arizona?

Ms. BECERRA. Would you repeat that?

Chairman LELAND. What gaps do you see existing between income maintenance, employment and training, and economic development policies in Arizona?

Ms. BECERRA. Well, the gaps are basically more recognizing that they're the same client, but we treat them all different. Depending on the door they come in, we give them that service without looking at it as a holistic approach.

So the gap is one in the design of the delivery system. So that's one.

No. 2 is recognizing, and we think we have done a major job by getting JTPA involved in serving the welfare recipient, especially the most easy to place welfare recipient. We certainly don't expect them to do longterm investment. But there needs to be a change in recognizing that the welfare recipient needs to enter into the workplace.

Economic development is more difficult. With economic development, the traditional approach is such a long-term venture that many times one does not address it because if a community is into economic development, by the time the actual jobs or the placement or the training takes place, we're 5, 6 years down the road.

What we are trying to do is coordinate with the Department of Commerce so that we can know which and when the decision to come in. We have one success in which the company came in and we were able to train the work force before the doors opened, and they had a full work force. But that is a real exception. That means that we must know up ahead of time the information that is historically not given to the Government. Most of the private sector keep that information close to the chest, and our definition of economic development many times are so long term it's not seen as something you can tap into.

We are only beginning those efforts, but that will also be a long-term effort.

Chairman LELAND. Given the problems you've alluded to, what can the Federal Government do to correct them, to close those gaps?

Mr. BECERRA. My recommendation would be to giving the States more flexibility to design the program. I think the difficulty was

when we tried to standardize it across the board, and all our needs are different. That's one.

No. 2, I think if they're not willing to do that, I think they should look at where the regulations are incomplete or in direct conflict with each other. Like the Health and Human Services, programs such as the food stamp maybe have a disincentive to the employment, or the AFDC doesn't recognize a transition period.

The bottom line is the regulations right now ask the welfare recipient, just as this young lady has said, to have her go to work and her costs will go up immediately. They expect the welfare recipient to recover economically in 30 days, and I would challenge anyone in this room to recover economically in 30 days, yet the regulations do that.

Education has to be brought in. We have programs that are in conflict and disjointed and we maybe look at it differently because we see the whole range of those needed services. I would recommend that the Federal Government look at all of the regulations that apply to this client group and see where there are conflicts or disincentives and eliminate them. That would give us the greater latitude that we now have.

Even without more dollars it would give us the latitude because right now trying to weave our way through waivers, and regulations, takes more of our time than anything else.

Chairman LELAND. Thank you very much.

Ms. Tebbenhoff, would you describe how an on-the-job contract works?

Ms. TEBBENHOFF. For the first 2 months of my employment my employer went into a contract with the State of Maine saying that they would—I had 6 months in order to learn how to do my job, the specific job I was hired for. And my employer was reimbursed half of my salary.

Chairman LELAND. Do you believe you could have found your current job without the grant diversion that's in it for your employer?

Ms. TEBBENHOFF. Well, I believe it was a help. Do I think I could have found a job without it? I'm sure I probably could have.

Chairman LELAND. Thank you.

Councilman Scheibel, I understand that one interest of the council is assuring the establishment of major food stores in underserved areas in the city. How do you encourage low income neighborhood residents to take a part in this process?

Mr. SCHEIBEL. Mr. Chairman, two ways come to mind. First of all, the city has been supportive of one particular community to establish a food cooperative. This is an area of primarily low income people. There's no grocery store in the area, so that we've been working with them, and we have a program in St. Paul called the Neighborhood Partnership Program. And the city is giving them a grant of $50,000 toward this particular project.

We have also worked with a cooperative bank and other local banks to provide the loan. Because it's a cooperative it's being organized by the low-income people themselves. That's one way.

Another way we have done it is to meet with some of the larger food chains, and we are now preparing proposals looking at what

kind of incentives we need to give to these grocers to have a place in these particular neighborhoods.

Particularly in the Midwest there's not a large wholesale grocery store volume. There's got to be a lot of parking and a lot of space, and that's very expensive in the city. So we are now looking at the proposal what do we need to do in the city to give them some economic incentive to have stores in those areas. It may mean providing—helping them obtain the necessary parking; it may mean looking at their taxing; it may mean some kind of direct grant to these food stores so they do establish themselves in these low-income areas.

Chairman LELAND. What can Congress do to help with this process?

Mr. SCHEIBEL. Mr. Chairman, I first of all want to commend your committee because I think the approach is one of looking at self-sufficiency. I was commenting before in some ways it's nice to appear here, and as a city official not be asking for money because I think there are a lot of answers in our neighborhoods, and in our communities, and in our cities. And I think that we in the city of St. Paul are trying to look at ourself as a self-reliant city.

In that sense we're saying you don't need Congress to become self-reliant.

I'd like to add a but, however. In order to have community gardens that have work programs related around self-sufficiency, we need jobs programs. We need community development block grants. These kinds of programs have given cities flexibility to start programs that relate to self-reliance. We need money for jobs programs.

From the testimony of Lucy here we saw money goes a long way, and what we're trying to do in the city of St. Paul is determine what kinds of jobs can provide not only employment, but impact the whole area of self-reliance.

I think of programs like VISTA, whose whole idea is self-reliance. We hear that self-sufficiency is what the President wants, and yet there have been a number of attempts by the administration to kill that very small program. And yet the money invested for that goes on and on in its impact.

I could sit here for a long time and say that many of the programs that affect cities are helpful, and if we as cities have a philosophy of self-reliance, we can stretch the dollars coming from you a lot further, and those dollars are necessary.

Chairman LELAND. How extensively have you been able to tap available cooperative extension program services to provide the low income city residents with technical assistance for components of your program such as edible landscaping, and home grown and home preservation food practices?

Mr. SCHEIBEL. Mr. Chairman, our extension services through the University of Minnesota have been very helpful working with the city of St. Paul. They've helped start some community gardens; they have a large educational program to provide information to people on how to can; they've worked in our public housing area, and run classes on nutrition, and different menus, how to buy at the farmer's market, so that they have played a very key role in the city and in the State in working toward our self-reliance.

Chairman LELAND. I understand that four out of five leading causes of death in Ramsey County are related to the nutritional and dietary practices of the residents. What types of nutrition education and intervention policies have you incorporated in your municipal food plan to rectify this problem?

Mr. SCHEIBEL. As the now-established commission begins its work, nutrition information is a high priority for the commission.

It's the feeling of the commission members and some nutritionists on their committee, that the work really needs to begin in the schools with young children. In addition to just having pamphlets and information available at different community clinics, we're also working to try to get nutrition information in the stores. Sometimes there's programs on public television, but too often that doesn't reach people; what we really believe is people need the information when they're about ready to buy. So we have been meeting with some of the food chain stores to see if they would work with our city health department to provide that information right at the stores.

Chairman LELAND. Are you actually teaching the people how to help themselves?

Mr. SCHEIBEL. Yes, and the example of the question before relating to the extension services is one where people are helping themselves.

Most of the commission members are neighborhood people, and our food commission members know all neighborhoods. We are looking at what kind of community gardens we can have, what kind of businesses we want to encourage in our city.

Residents of St. Paul spend over $1 million a day on food, and so a lot of the neighborhoods are the first ones to say "why should we not." We should really look at how we can keep some of that money, recycle that money in our city for our economy.

Chairman LELAND. Ms. Tebbenhoff, let me ask you to make a general statement about what you think needs to be done to provide you and other people like yourself with greater opportunities.

Ms. TEBBENHOFF. At this point, or when I first was getting help?

Chairman LELAND. When you first started out.

Ms. TEBBENHOFF. One of the major obstacles I had when I really first started off was through the WEET Program. It began as—like the first 6 weeks of your employment they would help you with child care, the cost of it anyway. And after that—after that—after you'd already got your job and were settled down, or starting to settle down, then you were told that, OK, that's the end of child care. You now have to get your child's name on a list and hoping to get in real soon.

And I know for a few people that were in the program with me, that was a real problem for them, not having child care. That is affordable anyway. It was a big obstacle.

Chairman LELAND. Any other obstacles?

Ms. TEBBENHOFF. That's the one that sticks out most in my mind.

Chairman LELAND. Well, I want to thank all three of you for your participation. It's very, very helpful, and we hope to be able to persuade other people to engage in the same kinds of concepts that you have put forth today, and of course solve some of the many problems that you allude to. It's a very difficult situation in our

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country today, as you well know. The contributions you make here today will give us some opportunity to convince some of our colleagues what we need to prioritize in some of our efforts to correct existing problems in the system.

Thank you very much.

I'd like to now ask that our next panel come forth. Ms. Karen Roberts, Councilman Carl Snowden, and Ms. Dena Pennington.

Ms. Roberts is a founding board member of the Common Ground Community Economic Development Corp. which is based in Dallas, TX, my home State.

Mr. Snowden is a member of the Annapolis, MD, City Council, and a board member of the Anne Arundel County Economic Opportunity Committee, Inc.

Ms. Pennington is a resident of Battle Creek, MI, and a participant in the Single Parent Advancement Network sponsored by the Community Action Agency of South-Central Michigan.

Let me say to you, Ms. Pennington, that my colleague, Representative Howard Wolpe, is probably on his way over here. He wanted to introduce you himself. When he arrives we will interrupt the proceedings and ask if he will offer a statement. As you know, we're debating the budget today and it's difficult to leave these proceedings. I'm sure, however, that he will be here before the panel has concluded.

We ask now, Ms. Roberts, for you to proceed.

STATEMENT OF KAREN ROBERTS, FOUNDING BOARD MEMBER, COMMON GROUND COMMUNITY ECONOMIC DEVELOPMENT CORP., DALLAS, TX

Ms. ROBERTS. Representative Leland, I am Karen Roberts, founding board member and current secretary of Common Ground Economic Development Corp.

I am here to describe briefly the origin, purposes, and current work of Common Ground in the low-income neighborhoods of Dallas.

Common Ground is a nonprofit, grassroots housing and community development organization which was chartered in 1982 by representatives of Dallas' neighborhood group. Our groups had roughly a decade of experience organizing people to address a variety of community survival issues.

For example, my group, the East Dallas Neighborhood Association began its work in the mid-1970's on issues of zoning, property taxes, and land use. I know you don't have zoning in Houston.

By 1981 we successfully rezoned about 600 acres in three inner city neighborhoods of Dallas to stop land speculation and housing demolition. In south Dallas another founding group, Lower Peaks Branch Civic Organization, first organized around the issues of flood control, and how it threatened their homes, lowered their property values, and prevented them from obtaining home repair loans.

Today, thanks to a strong drainage control program won by the group in 1982, Lower Peaks Branch neighborhood stands a good chance of surviving and improving.

In west Dallas a major survival issue has been control of industrial lead pollution from a lead smelter. The West Dallas Involvement Committee spearheaded a 5-year organizing campaign that resulted in a court-ordered cleanup of the area and in closing the lead smelter.

Committee members may be familiar with this struggle since it achieved national attention in 1981 to 1983 in the EPA-related hearings before the Levitas committee.

Other areas where our group has been deeply involved include tenants rights and voting rights. The Bois d'Arc Patriots, for instance, published the first tenants' rights handbook in the State of Texas, and members of the Frederick Douglass Voting Council were instrumental in filing the lawsuit that eventually overturned the at large city council election system that had effectively shut out minority candidates.

So our groups were well-grounded in the low income and minority neighborhoods of Dallas as we began in the early 1980's to shift our focus from advocacy on behalf of the community, to direct development of the community.

Confronting an inner-city-wide pattern of displacement and housing demolition caused our groups to come together in a general coalition for neighborhood survival. In east Dallas we faced a steady gentrification process. In south Dallas, public works and institutional expansion was fueling displacement. In other areas, commercial and industrial development was the chief cause of the neighborhood destruction.

Confronting the paradox of disinvestment and reinvestment caused us to form our own development entity which we call Common Ground.

Very briefly, in lower income areas there was disinvestment. We lose people, and we lose homes through deterioration, abandonment, arson, court-ordered demolition, and so on. When investment begins to return to these areas, for the low-income people the result has been the same, loss of housing, or access to housing through gentrification, nonresidential conversion of homes, and just plain demolition to make way for more profitable land uses; high rise offices are real popular.

We wanted to make a serious and positive investment in our neighborhoods where we lived and worked to improve housing conditions without causing gentrification, and to provide work for numerous highly skilled, soft scale contractors that exist in most lower income areas. A good truck and tools operation.

We decided on a nonprofit approach for two reasons primarily. First, we saw development as a community service for which we could mobilize unconventional sources of capital.

Second, we have seen first-hand the inhumane ways that profit is generated in the management of slum housing.

The results of our efforts are described in some informative brochures on Common Ground that accompany my testimony.

We have completely renovated as of April 1986, 35 homes, virtually all of which would have been demolished had they not come into the nonprofit ownership. We have placed well over 150 unemployed people into a regular job. We are providing housing for more than 100 individuals in households with average annual

income of less than $10,000 at a price they can afford. And we are providing the housing for homeless mentally ill people in our 10 unit rooming house.

This year we will be offering home ownership opportunities to residents—to resident families of Common Ground houses. In addition, we are starting a community loan fund to provide low cost financing for the development of low-income housing.

We are sponsoring the establishment of a community credit union to provide financial services for poor people who lack access to conventional banks and savings and loans in Dallas.

Let me close with a few remarks about our approach to housing, neighborhood development, and community service.

First, we are organizers, not social workers, although I have training in the social work profession. What we do is not welfare. It's not conventional charity at all. We are trying to help people out of the bad conditions they are living in, but we won't really offer handouts.

Second, we think that the provision of housing is the most effective way to fight poverty. That is, housing is usually the largest single item in a low-income family budget. The insecurity in housing affects every other aspect of family life. And I think that's extremely important.

Third, our approach involves very little government funding. The only public sector funds we use are section 8 housing assistance, payments for the lowest income renters. This last point is not necessarily by choice. Like a lot of genuinely grassroots organizations, our relationship with the Dallas City Hall has been confrontational at times. And the climate just hasn't been right to literally do business with city government. We have, however, mobilized resources from banks, savings and loans, corporations, churches, foundations, and concerned individuals, to make Common Ground work a success so far.

If Common Ground has anything to tell the committee, it is that neighborhood groups in low-income communities are this country's major resource for rebuilding inner-city areas. Public and private sector funds invested in these groups will yield tremendous dividends. Some of these are financial. Common Ground, for instance, has never been late, or missed a loan payment. But the real dividends are changes in the lives of real actual everyday people who in the face of this Nation's great wealth, have to struggle to make ends meet every day of their lives.

Thank you for the opportunity to speak today.

Chairman LELAND. Thank you, Ms. Roberts. Thank you for coming all the way from Texas, by the way.

Let me now interrupt the process and introduce my colleague from Michigan, who has now joined us. Representative Wolpe is indeed a champion of the people who need the help most in this country. I would like to also interject, since this is the Select Committee on Hunger, that he has been a leader in the area of trying to help feed people in other parts of the world, particularly Africa, where he has focused his major efforts as chairman of the African Subcommittee of the Foreign Affairs Committee. I appreciate the gentleman coming to our hearing today to introduce one of his constituents.

Mr. Wolpe.

Mr. WOLPE. Thank you very much, Mr. Chairman.

I am delighted to have this opportunity. I am very honored to be able to introduce a constituent of mine, Ms. Dena Pennington, who is here today to offer testimony about her experiences as a single mother surviving in poverty. And also to express her hopes and aspirations of achieving economic self-sufficiency.

Ms. Pennington has utilized conventional public assistance programs to support herself and her 1-year-old child. But, as you know, single parents have limited financial resources, often facing overwhelming obstacles in their efforts to achieve economic independence. Just as the search for available transportation is often a major barrier, the lack of adequate child care alternatives and facilities can also pose an insurmountable obstacle to achieving economic self-sufficiency.

A new and innovative program called the Single Parent Advancement Network, or SPAN, has helped Ms. Pennington translate her desire for economic independence into a promising reality. Through the SPAN Program—which provides support services, as well as training and job placement—Ms. Pennington has begun training in the field of accounting. Her ambition is to become a certified public accountant.

I want to personally thank you, Mr. Chairman, and the Select Committee on Hunger, for inviting Ms. Pennington here today. The experiences she will relate to you very shortly clearly illustrate how innovative public assistance programs can not only alleviate the cruel conditions of poverty, but can ensure economic independence as well.

Chairman LELAND. I certainly want to thank the gentleman for spending some time here with the select committee. The gentleman has always been encouraging to this Chair, and I really appreciate your participation here today as I know Ms. Pennington does, too.

Mr. WOLPE. Thank you, Mr. Chairman.

Chairman LELAND. Thank you very much. I understand the gentleman cannot spend much time with us.

Mr. WOLPE. I would like to remain for the testimony of Ms. Pennington.

Chairman LELAND. Very good. You're welcome.

Ms. Pennington.

STATEMENT OF DENA PENNINGTON, PARTICIPANT, SINGLE PARENT ADVANCEMENT NETWORK, BATTLE CREEK, MI

Ms. PENNINGTON. Good afternoon. My name is Dena Pennington. I am a single parent. When I was 17 and a senior in high school I became pregnant. I am now 19 years old. I married the father of my baby but it was a mistake. After I filed for divorce I had no idea what I was going to do with my life. I got on AFDC as a matter of survival for myself and my child when I heard about the SPAN Program.

SPAN, that is the Single Parents Advancement Network, is a program of the Community Action Agency of South-Central Michigan at Battle Creek.

SPAN is a vocational skills training program which has truly helped me and the other 60 single parents in it. We are going back to school to learn skills and trades. We get lots of encouragement and help with child care, transportation, counseling, food, clothing, and other basic needs. But CAA is the only agency that provides all of these services. Even after just 6 months of training we already have begun getting jobs in our field.

This community action program was my way out. They came to my home to find me. Now I can do something with my life. I know I don't want to spend the rest of my life on welfare just barely getting by. I can hardly pay my bills, and my rent is more than the shelter allowance. There are times when I have to choose between paying my telephone bill or buying diapers.

My family helps out when they can, but I want to be on my own. I want to be a contributing member of society, and self-sufficient, and to have pride in myself. I have lots of talent, and this program has given me the opportunity to develop those talents.

I get $131 a month in food stamps. After I pay my rent and heat, my AFDC grant leaves me with $64 a month to buy everything else. Food is a really rough part of my budget. At the end of the month things get really scarce. The refrigerator and cupboards get bare. My child is still on formula, and with the help of the WIC Program I can get by a little better.

You see, through the CAA SPAN Program I now have the opportunity to go to school. I have goals and dreams. I want something better for my life than being dependent on AFDC. This program got me back in school and got me to believe I can make it to my dream of being a certified public accountant if I work for it.

People who have never been on welfare don't realize what it's like when someone asks you where you work and you don't have an answer. Or when you have to cash a Government check, or use food stamps in a crowded grocery store line. People look down on you and consider you a low life. But we really aren't. We're just trying to get by the best we can. Some think that people enjoy being on assistance, but how can anyone enjoy being looked down upon.

If it wasn't for programs such as AFDC, WIC, and especially community action programs like SPAN, young mothers such as myself would be trapped into having to work minimum wage jobs for the rest of our lives. We would never be able to better or fulfill our lives. Our children would never have a chance at a decent life they so much deserve.

If I can finish school and get into the job I want, my daughter will be able to see the importance of a good education, and won't have to live with the humiliation of her mother being on welfare.

But we on welfare are punished for getting jobs. We lose all or part of our money, or food stamps, even if we work part time. This is why so many of us feel that to take a minimum wage job to help get ahead is not worth the effort because when you think you are getting there they put you right back where you were.

CAA programs like SPAN help us get completely off the welfare for good, and this is what I want for myself, to go to school and get all the education I need to go out into the work force, and take

care of myself and my daughter on my own, but I need some help getting there.

I know I speak for other SPAN participants when I say that without community action programs our hope for getting off the welfare are very dim. We hear about all the cuts to these budgets, and if funding to these programs is cut any more we are back to square one, on welfare with no hope for economic independence or self-sufficiency.

Thank you for hearing my testimony.

Chairman LELAND. Thank you very, very much. That was very touching and inspiring testimony.

Mr. Snowden.

STATEMENT OF CARL SNOWDEN, COUNCILMAN, ANNAPOLIS, MD

Mr. SNOWDEN. Mr. Chairman, thank you for the opportunity to appear on behalf of the Anne Arundel County Economic Opportunity Committee Inc.

Mr. Chairman, I'll make my remarks very brief. Mr. Chairman, I was recruited by the Anne Arundel County Economic Opportunity Committee Inc. at the tender age of 15 when I became involved in their youth development program. I came from a working-class black family. There were 11 members in our family.

The CAP Program provided me with great opportunities that included cultural awareness programs, self-development programs, and job training. I had an opportunity to work at white collar jobs. That training gave me skills in administration and public speaking. As a result of my involvement in our local CAP, I was given the encouragement to complete college and post-graduate studies. Thus, I was able to graduate from Lincoln University with a master's degree in human services.

The local CAP agency also encouraged us to take control of our community. By that, they mean economic, political and social involvement. I became involved in political organizations and ran last year for public office, and was elected to the Annapolis City Council.

I continue to work with the local CAP agency as a member of their board of directors. I should also mention that my election to the city council was due in large part to a successful voting rights lawsuit that we were able to bring against the city of Annapolis.

I really believe that the greatest thing that any program that wants to fight poverty must do is encourage advocacy and self-sufficiency. If the people in a community can take control of their community, they also direct the destiny of that community.

Finally, I think the spirit of any program must incorporate the spirit of Dr. King. As you know, in 1963 in a place called Tupelo, MS, when Dr. King was asked by a member of an audience, "what would happen if something would happen to him," Dr. King replied in very eloquent terms, and I think in many ways what he said then is still true to this day. Dr. King said, "it is important that we keep this movement of social justice and equality going." And to keep the movement going, Dr. King said, "if you can't fly, run; if you can't run, walk; if you can't walk, crawl; but for God's sake keep the movement moving."

Thank you, Mr. Chairman.

Chairman LELAND. Thank you very much, Mr. Snowden.

I presume that's the vote on the last amendment that was debated.

Let me just ask a few questions, if I may, and possibly if we're not finished I will come back and wind up the hearing.

Mr. Snowden, unemployment rates among teenagers, particularly minority teenagers, has been consistently high in recent years. What suggestions do you have for improving job opportunities for young people today? And let me preface that question before you speak, by stating my awareness of support for a subminimum wage to lure teenagers into jobs where employers would have the incentive to hire young people, because it would be more affordable at that time.

Given this situation, what do you think about the job opportunities available to young people today?

Mr. SNOWDEN. Well, I think the problem is very complicated, particularly in the inner cities. I happen to come from an urban setting, and difficulties with teenagers I think are twofold.

First of all, I would not support the notion of a minimum subwage because I think many of the young people that I see are faced with the prospects of being able to have employment through illicit means.

I think what is absolutely necessary is a program that aggressively goes after young people, particularly teenagers, and give them an opportunity for role modeling through direct contact.

There are very few programs. In fact, I don't know of any program that exists in Anne Arundel County that existed similar a decade ago. I can clearly remember when job training programs existed when I was growing up. There was outreach efforts where people came out and literally through one-on-one counseling attempted to recruit you and get you involved in the program. And also offered you more than just job training.

It was important when I was growing up to get the cultural awareness program that was mentioned to you earlier. So, thus, I think the combination of direct outreach programs coupled with educational programs to supplement that would be useful.

Chairman LELAND. Let me ask Ms. Pennington, how did you learn about the Single Parent Advancement Network, or SPAN, and what prompted you to seek enrollment in the program?

Ms. PENNINGTON. The director of that program got my name through the vocational school in alternative education where the pregnant teenagers go to school. And she called me on the phone, and I jumped right in it. I wanted off, and I wanted to take care of myself, and I didn't even hesitate to enroll.

Chairman LELAND. Before you elected to participate in this program what plans and opportunities did you have for learning a marketable skill and finding employment?

Ms. PENNINGTON. I had no plans because I didn't know of any. I wanted to get a decent job, but I didn't know where to go and how to find one that would be worth getting—taking a job that would get me completely off of welfare.

Chairman LELAND. SPAN has numerous services that can help to support your efforts to secure the independence that you so much

want. What kind of supportive services, such as child care, transportation, does SPAN provide for you?

Ms. PENNINGTON. Other than that?

Chairman LELAND. Yes.

Ms. PENNINGTON. They help with—they give me referrals for clothing, or if you need special needs for food, they can give you referrals for those, or just special—like if you need diapers, their heating costs, and things like that.

Chairman LELAND. And how helpful are these services?

Ms. PENNINGTON. It helps pay utility bills.

Chairman LELAND. At one point you were receiving AFDC, food stamps, and WIC?

Ms. PENNINGTON. Yes.

Chairman LELAND. You alluded to the fact, in your testimony, that there are times when you fall short on some resources?

Ms. PENNINGTON. A lot of times.

Chairman LELAND. Do you have any place else to go for food assistance?

Ms. PENNINGTON. My family and church is who I lean mostly on right now, but they've been very supportive.

Chairman LELAND. Thank you.

That reminds us that we still have a vote pending and we have 10 minutes to go.

Ms. Roberts, Common Ground receives no Federal support. Would you describe your funding sources?

Ms. ROBERTS. Our funding sources are listed on the back of my presentation, but basically our funding sources are through some of the foundations, and some of the corporations. Southland Corp. has provided funding for our largest project which resulted from them purchasing 133 acres of prime inner-city property and redeveloping it. From that we received donations of boarded up houses which were moved onto lots in low-income neighborhoods, and they provided some of the money for the rehab costs. Other money comes from individuals, just individual donations. But it's primarily foundations and corporations.

And then we also do a lot of financing through loans through the banking industry.

Chairman LELAND. Let me ask you, we have heard at other hearings that private donations are declining in the country overall. Contributions in Dallas are suffering because of the downturn in oil and gas business. This is happening in Houston, and Texas, in general. Are you suffering any shortfalls in the support you receive at this time?

Ms. ROBERTS. We never have enough money, and that's always a problem. I don't think we have begun to see what is going to—how it is going to affect us in terms of funding.

Dallas is beginning to feel the decline in the oil and gas industry. And Dallas has been very blessed in not having suffered as much as most of the country. But I think we're only beginning to see the effects of that.

Chairman LELAND. Your testimony cites that Common Ground has succeeded in placing more than 150 persons in regular jobs. This is highly commendable, I might add. What types of training

can you provide for individuals who have no skills, or have never been employed before you start working with them?

Ms. ROBERTS. Our job placement program is about 1 year old, so we are proud of the numbers.

We don't provide any job training at this time. What we would do is try to get persons into the job training programs that are available. We don't have funding for job training right now.

Chairman LELAND. Mr. Snowden, you currently serve on the board of a Community Action Program in Anne Arundel County. Would you describe the sources of funding for your Community Action Program?

Mr. SNOWDEN. That particular agency gets its source from both private and public funding. Some funds come down from the community service block grant, and other funds come from private sources, foundations, and individual contributions.

Chairman LELAND. I understand that you are a proponent of the one-on-one outreach services to bring young people into a community action agency or responsive job training, and other self-help programs. What benefits does this approach have over the group approach?

Mr. SNOWDEN. Well, one of the things that I think is important as it relates to going out and actually having this one-on-one contact is you can develop a mentor, someone who takes an interest in you as an individual.

The CAP agency that I was affiliated with, or am affiliated with, 10 years ago it had a program when the funding was available that permitted a person to go out one-on-one and develop a mentor. Through this mentor that person not only served to assist you with problems that you may be having as it relates to seeking employment, but also took a general interest in your well-being. Sort of went back to the days when there were those in the community that were concerned with the well-being of the individual as a whole.

Chairman LELAND. Ms. Roberts, what are the average monthly expenses for individuals renting Common Ground homes, and is there a sliding scale based on income in your program?

Ms. ROBERTS. The average probably that individuals pay is around $100 for a family unit. And 10 people—many times we have not charged anything for rent for people.

A lot of the people that are renting are on section 8, and so their portion of the rent is assessed by section 8, and we accept what they can afford.

I'm certainly an advocate of community-based programs. I run a program for the elderly myself. When we work on a neighborhood level with people, we don't have to have regulations to help them. You can look at their individual situation and make your judgment based on that rather than some kind of Federal guidelines from far away.

Chairman LELAND. I imagine that your organization would have quite a lengthy waiting list for persons who are interested in renting or purchasing Common Ground homes. Would you explain the system under which people are selected to inhabit these dwellings?

Ms. ROBERTS. We don't have—we started out with some system but it became very impractical. When we first began we probably

had 200 people for every house that we had. And we have taken the names of those waiting from that list. We have also assisted people, for example, I remember one of the first families that we were able to help—we helped a lot of senior citizens because our housing is very small—one of the first families that we were able to help was a family who had been burned out of their home. A number of the family members were killed in the fire. And we moved them into our first family sized house.

Chairman LELAND. Very good.

Ms. Pennington, what would you do if SPAN was not there? Where would you be today?

Ms. PENNINGTON. Probably still at home doing nothing because I would have no idea where else to go.

Chairman LELAND. Let me just commend you for your efforts in seeking to achieve a new life for yourself and your baby. You are certainly making progress. Both you and Mr. Snowden are exemplary of how much you can achieve, if, in fact, you attempt to. I wish that more of my colleagues were present to hear the testimony you have presented today. This has been an invaluable hearing. I commend you Ms. Roberts, for what your and similar organizations have done. We can't give them too much praise. People like yourself who have the foresight and vision and wisdom, and the will I might add, which is most important, to do things in spite of the obstacles that evolve.

I just want to thank all of you. We have possibly other questions that we'd like to submit to you for your responses, and we'll keep the record open for that purpose. But we have a vote on now, and I must leave. I really thank all of you. This hearing is now adjourned. Thank you.

[Whereupon, at 3:52 p.m., the committee was adjourned.]

[Material submitted for inclusion in the record follows:]

Maine's WIN Demonstration

WELFARE EMPLOYMENT, EDUCATION AND TRAINING (WEET) PROGRAM

FACT SHEET

Statutory Mandate	"... to use available educational, vocational, supportive and employment services within the State to help AFDC recipients to find and keep employment, and to the extent possible, to eliminate their dependency on public assistance."

Maine AFDC caseload	20,000	
Average monthly payment per family	$336	
AFDC families living in WEET service areas	50%	
WEET registrants	3,500	
Registrants enrolled in training or job search	2,300	
Voluntary registrants	50%	
Training Distribution	%	
GED preparation	14	
Adult/remedial education	16	
Prevocational training	16	
Volunteer work experience	11	
CETA/JTPA skills training	9	
Vocational technical programs	10	
College programs	25	
FY '85 job placements	1,809	
Percent full-time	70%	
Average entry wage	$4.38	
With health benefits	40%	
One year job retention	66%	
Cost per placement	$1,300	
FY '86 Income	$2,495,000	
Federal		
WIN	1,386,000	
IV-A Employment Search	130,000	
IV-A Work Supplementation	32,000	
State	947,000	
Since 1982		
Job placements	5,000	
Operating costs	$7.5 million	
AFDC costs had WEET graduates not gone to work and stayed on welfare	$12.8 million	

Prepared Statement of Gloria V. Becerra, Arizona Department of Economic Security

Thank you for the opportunity to appear before the Select Committee to share the Arizona experience in responding to the challenge of assuring that welfare recipients are provided maximum opportunity to achieve economic self-sufficency. I am Gloria V. Becerra, Assistant Director for the Arizona Department of Economic Security.

For over two decades, human service administrators, state legislators, governors, and the congress have debated the appropriate design of our nation's welfare system. At the center of this debate has been whether welfare programs should be structured as broad entitlements, with assistance determined by categorical eligiblity and income; be reshaped to impose obligations which require recipients to perform unpaid work, e.g., "workfare," or to participate in employment-related activity such as only job search or skills training.

As we all know, this debate is not one that is easily resolved. The issues from which it originates are directly tied to two of our most fundamental social values, one of which we as a society support - the expectation that the able-bodied should work to support themselves and their families - and the other, we continue to struggle with - the degree to which society should provide adequate assistance to the poor who are not able to work.

The State of Arizona, like every state in the country, has struggled in its attempt to come to some agreement on the most viable way to address the challenges posed by this continuing debate. We have been willing, however, to accept this challenge - and in fact - seen it as an opportunity to try alternative approaches.

In October 1981, the Department of Economic Security proposed to the U.S. Department of Health and Human Services, a program that provided the State of Arizona the flexibility to implement a unique job placement program that provided AFDC recipients with incentives, job opportunities, vocational training, and support services to help them find employment and at the same time reduce welfare costs. The proposal to establish the Work Incentive Demonstration Program (WIDP) was approved in early 1982 and began on June 1, 1982.

Our premise for submitting the proposal was based on the belief that people who receive public assistance would rather be working. There simply is not much incentive for a single parent with three children to stay on welfare when she receives a maximum grant of less than three hundred dollars per month. We felt it was important to provide an opportunity for people to develop the skills needed to make it on their own, and by doing so help them realize their full potential, compete competitively in the labor force, and move with dignity toward self-sufficiency.

To ensure that the opportunities created by the program were available to as many single parents as possible, a federal waiver providing for all AFDC recipients with children age three and above to register for the program was requested and approved. This waiver allowed the WIDP Program to especially target younger mothers who had been out of the job market or high school less time than their older counterparts, and who were generally more motivated to become employed.

The original goal of the program was to place 4,000 AFDC recipients per year into unsubsidized employment. By the end of the first year, extensive outreach to the private sector and state government agencies resulted in over 3,000 persons obtaining jobs. By June 1985, over 9,700 recipients had been placed into employment. Considering that the majority of these placements were made during a period of double-digit unemployment, the project has been considered highly successful.

Toward the end of the demonstration, Arizona became one of six states in the country to participate in a welfare Grant Diversion Project. In this program the recipient's AFDC grant is available - in part - to any employer as an incentive to hire qualified AFDC recipients.

Designed as an incentive or placement tool, no new program structure was required to accommodate this program. Its uniqueness is clearly in its design which overlays existing employment and training and welfare systems. AFDC recipients who obtain employment are treated like any other individual who goes to work; all employers - public, private, nonprofit, and private for profit - are eligible to participate. Employers may receive additional funds from other sources to help offset the cost of employment. And, the primary source of referral to potential employers occurs through Job Service, WIDP, and the Job Training Partnership Act.

To date, approximately 400 recipients have been placed into jobs through the Grant Diversion Project with close to 50% of those no longer on AFDC after a period of thirty days.

What We Have Learned

The transition from welfare to work is not an easy one. While approaches such as WIDP and Grant Diversion have afforded many AFDC recipients the opportunity to achieve economic self-sufficiency, far too many continue to have limited success. Many individuals attempting to enter or re-enter the work force find they lack basic educational requirements or skills to obtain a job that provides adequate pay or opportunities for career advancement. Others find that basic support for child care and transportation - things you and I take for granted - are either not available, adequate, or affordable. For those who have been long term recipients, we have found that only a comprehensive approach such as case management provided during the transition to employment as well as after placement, is critical in assisting the individual in adjusting to the lifestyle changes that occur for the single head of household who is full-time employed.

Over the past year, we have been carefully studying the results of the WIDP and Grant Diversion experience as well as the experience of other states. We are convinced that our efforts under WIDP and Grant Diversion have provided a tremendous offering of information and a solid foundation from which to build an approach that is responsive to the needs of the welfare mother given the tremendous change occurring in the family unit and the work place.

Arizona Works!

On July 1, 1986, Arizona will implement a new program that will replace the Work Incentive Demonstration Program. Let me take a few moments to outline the approach and especially share with you how it departs from our previous WIDP experience.

In 1985, there were approximately 24,000 adult recipients of AFDC grants in Arizona. More than twenty-five (25) percent have been receiving AFDC benefits for two or more years. Ninety-five (95) percent are female with 78% between the ages of 21 and 44. Three (3) percent are between the ages of 13 and 19 and 52% do not have a high school diploma. The average welfare grant for a family of three was $207.

The new program - Arizona Works! - has been designed with attention not only to the characteristics of the Arizona AFDC population I just mentioned but, to our previous experience under WIDP and national research in the area of welfare-related work programs. As such, we will focus resources on four distinct populations:

1. AFDC applicants who are potentially mandatory under the Federal Work Incentive Program (WIN), currently implemented under the Work Incentive Demonstration Program;

2. WIN mandatory AFDC recipients who have been receiving AFDC benefits for over two years or more;

3. WIN mandatory AFDC recipients whose youngest child is 16-17 years old; and

4. Teenage parents who are AFDC applicants or recipients.

Our goal in serving these groups is to have the greatest impact on reducing dependency. For applicants and parenting teens the means to achieving this goal is to avert entry into the welfare system or to minimize the duration of dependence.

For long term recipients, the intention is to assist in removing the barriers which have kept them dependent upon the system. For individuals whose youngest child will turn 18 within the next two years, the program will assist them in becoming more independent before their AFDC benefits are no longer available to them.

The program will:

- Teach AFDC applicants and recipients job-seeking skills with an emphasis on self-assessment utilizing motivational techniques. We want to empower participants by assisting them in realizing their full potential and abilities.

- Provide post-employment services to assist in job retention. As mentioned earlier, one of our failures in the past has been our lack of understanding of the "trauma" of returning to work and to a new lifestyle. On-going support will be provided to assist in minimizing the difficulty in making the transition to the world of work.

- Through case management, assist in accessing support services such as child care, transportation, and health care to ensure a safety net exists to facilitate continuation on the job and,

- Provide education and training opportunities for those lacking basic education or specific job related skills with special emphasis placed on GED preparation and attainment.

We will not implement this program with vast amounts of state funding. In fact, the only additional state dollars that are being committed are those recently allocated to the Department from Arizona's State Legislature for GED preparation and attainment. This program will be implemented utilizing our existing federal and state resources under WIDP. As such, we are forced - at least initially - to implement Arizona Work$ on a pilot basis. We view this lack of resources as a major challenge; but, in many ways it also presents a tremendous opportunity - to re-examine our delivery structure and establish a new direction based on targeting existing recources.

For example, recently, Arizona's State Job Training Coordinating Council under the Job Training Partnership Act, approved a plan on the request of Governor Bruce Babbitt, to target up to 25% of Title II-A funds to serve recipients of AFDC. The plan is designed to encourage local Private Industry Councils and Service Delivery Areas to serve this population through rewarding of incentive funds for meeting or exceeding requirements of the plan and performance criteria now being developed. This targeting of resources is intended not only to increase the number of AFDC recipients receiving job training but further integrate the welfare and employment and training delivery systems.

Although Arizona has made a great deal of progress in the short-term, we are very concerned about our ability to continue to do so over the long-term given the various policy changes now being proposed by the Administration. Specifically:

1. We must have the flexibility to tailor programs such as WIDP to the unique needs of the clients and the communities we serve. We are committed to serving the hard-to-place and long-term welfare recipient. But, we must be given the latitude and resources to do so effectively. Not continuing the WIDP Program eliminates state flexibility and resources to provide employment programs. The proposed work opportunities' program would severely limit our efforts in both of these areas.

2. We must have the resources to operate employment and training programs. Resources under JTPA and Vocational Education cannot be expected to fill the gap created by eliminating the use of IV-A funds for education and training. JTPA and Vocational Education funds are already severely limited. And, with current level funding or reductions, their ability to meet the education and training needs of the AFDC recipient as well as the economically disadvantaged population will become even more limited. Coupled with proposed cuts under the Employment Service and Social Service Block Grants, the problem becomes even more exacerbated.

3. The current work supplementation regulation which encompass Grant Diversion is a direct disincentive for participation by the client and the state. The regulations penalize welfare recipients by counting the grant they receive through establishment of an automatic overpayment if placed on the job after receiving that month's grant. States would incur the liability and responsibility for collecting the overpayment. While Arizona is a model Grant Diversion State given our placement rate and the fact that we have assisted approximately 15 states through technology transfer on how to implement the program, we cannot in good conscience, continue the program with these severe penalities and limitations.

4. Program performance must be evaluated based on different productivity measures not on number of applicants who come through our doors without regard to the depth of services provided and regard to what happens to them after they leave our door. The American Public Welfare Association in previous testimony before congress, stated, "If reducing dependency is the aim, then evaluations should look at job placement rates, with careful attention also paid to such factors as wage rates, job retention,

and avoidance of future dependency." As states like Arizona direct their resources to serving the hard-to-place recipient with whom positive results may not be as readily attained, recognition should be made of this fact with rewards of sanctions applied accordingly.

We have enjoyed our success to date because we have recognized the importance of having a flexibly designed service delivery system that is tailored to the unique needs of the citizens of Arizona. We have developed this system based on the fundamental belief that employment and training and welfare programs must be linked allowing for a blending of our limited resources in a manner that creates maximum employment opportunity. With the provision of a comprehensive array of support services and a better recognition of the needs of the employer community, we believe we will continue to be successful in responding to the challenge of assuring greater economic self-sufficiency in an era of change within our social political and economic institutions.

Thank you very much for your attention.

Prepared Statement of Hon. Marge Roukema, a Representative in Congress From the State of New Jersey

I AM PLEASED TO LEARN ABOUT SOME OF THE SELF-HELP PROGRAMS BEING UNDERTAKEN IN THIS COUNTRY.

AS YOU MAY KNOW, MANY ANALYSTS ARE TAKING PART IN A COMPREHENSIVE DEBATE ON GOVERNMENTAL POVERTY POLICIES. THIS DEBATE IS LONG OVERDUE. SINCE THE 1960'S THE GOVERNMENT HAS DECLARED A WAR ON POVERTY; YET, AS THE MOST RECENT POVERTY STATISTICS SHOW, THE TRAGEDY OF POVERTY AND HUNGER IS STILL EVIDENT IN OUR COUNTRY. THE PRESIDENT HAS ALSO RECOGNIZED THE NEED FOR DEBATE ON THE POVERTY ISSUE AND HAS CALLED FOR A MAJOR STUDY OF FEDERAL WELFARE POLICIES.

UNDERLYING SOCIO-ECONOMIC TRENDS IN OUR SOCIETY LIMIT OUR ABILITY TO FIND SOLUTIONS FOR THE CHRONIC PROBLEMS OF POVERTY AND HUNGER, BUT NEED NOT STYMIE OUR ATTEMPTS. CERTAINLY, ALL LEVELS OF GOVERNMENT MUST CONTINUE THEIR EFFORTS TO INSURE THAT ALL AMERICANS HAVE THE ABILITY TO MAINTAIN A DECENT STANDARD OF LIVING. BUT, THE REAL SOLUTIONS TO THE PROBLEM OF POVERTY MUST COME FROM COMMUNITIES AND PEOPLE THEMSELVES.

WITNESSES TODAY WILL PROVIDE INFORMATION ON SELF-HELP PRGRAMS WITH WHICH THEY WORK. THESE PROGRAMS VARY IN SCOPE, BUT ARE DESIGNED TO ASSIST PEOPLE TO BECOME SELF-SUFFICIENT. AS THE DEBATE ON POVERTY CONTINUES, I HOPE THAT THESE PROGRAMS WILL BE RECOGNIZED AS EXAMPLES OF WHAT CAN BE DONE TO ASSIST PEOPLE OUT OF POVERTY.

Common Ground Community
Economic Development Corporation
5405 EAST GRAND • DALLAS, TEXAS 75223 • (214) 827-2632

June 3, 1986

The Honorable Mickey Leland
U. S. House of Representatives
Select Committee on Hunger
Room H-2, House Office Building,
Annes No. 2
Washington, D.C. 20515

Dear Congressman Leland:

Enclosed is the manuscript of my testimony to the Select Committee on Hunger. I only wish to add to my remarks that our criteria for selection of the houses includes that the family income be between $8,000 and $12,000 per year. We find that many homeownership programs serving low-income people are still out of reach to most whose income is below $12,000 per year.

For me it was certainly and honor and privilege to appear before the committee. I am well aware of your concern for those people in our country and the state of Texas who have not yet attained the "American Dream." Unfortunately, often government, local to national, is part of the problem rather than the solution. We Americans also have a profound tendency to blame the victims of poverty rather than to educate ourselves to the real causes of this crippling condition.

I thank you for the interest and the time you gave each of us who testified in the committee hearing. I wish you and the committee much success in your efforts. Please know that if I can do anything else toward that effort, I am most willing.

I am enclosing a brochure, which was a gift to us, from the program for the elderly I work with. One of the staff members asked me about the program after the hearing. We work with low-income, inner city elderly.

Again, my best to you and the committee.

Very sincerely,

Karen S. Roberts

Karen S. Roberts

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